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ELIAS C. ALVORD (1942)  
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OF COUNSEL  
URBAN A. LESTER

September 30, 2002

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

RECORDATION NO. 23966-C FILED

SEP 30 '02 1-38 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Assignment and Assumption Agreement, dated as of September 26, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease Agreement and Schedule No. 1 which was previously filed with the Board under Recordation Number 23966.

The names and addresses of the parties to the enclosed document are:

Assignor:	Babcock & Brown Rail Funding LLC 599 Lexington Avenue New York, New York 10022
Assignee:	The Clarkesville Leasing Partnership, LLP c/o Rail Wagon Leasing Limited Queensgate House P.O. Box 1093 GT George Town Grand Cayman Cayman Islands

Mr. Vernon A. Williams  
September 30, 2002  
Page 2

A description of the railroad equipment covered by the enclosed document is:

Sixty-six (66) 50 foot, 100 ton plate F boxcars: AOK 14105 – AOK 14170.

A short summary of the document to appear in the index is:

Assignment and Assumption Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

RECORDATION NO. 23966-C FILED

SEP 30 '02

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SURFACE TRANSPORTATION BOARD

Execution Version

### ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement dated as of September 30, 2002 (this "Agreement"), is between Babcock & Brown Rail Funding LLC, a Delaware limited liability company (the "Seller"), and The Clarkesville Leasing Partnership, LLP, a Delaware limited liability partnership (the "Buyer").

#### Witnesseth:

WHEREAS, the Buyer and the Seller have entered into that certain Purchase Agreement (U.S. INTOL Rail V) dated as of September 30, 2002 (the "Purchase Agreement"), providing for the purchase of the Ownership Interest by the Buyer from the Seller, subject to the terms and conditions set forth therein; and

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement by the Seller and the Buyer on the date hereof.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

1. Definitions. Capitalized terms used herein without definition shall have the meanings assigned to them in Section 4 of this Agreement.

2. Assignment. Effective as to each item of Equipment on the Closing Date, the Seller sells to the Buyer all of the Seller's rights, title and interest, except as reserved under Section 2.1 of the Purchase Agreement, in and to such item and assigns to the Buyer all of the Seller's rights and obligations, except to the extent constituting Existing Obligations, under each of the following as they relate to such item:

- (a) the Lease;
- (b) Schedule No. 01 to Lease Agreement made as of March 1, 2002, between the Seller and the Lessee;
- (c) Memorandum of Lease Agreement dated March 1, 2002, between the Seller and the Lessee;
- (d) Bill of Sale dated May 1, 2002, from Gunderson, Inc. to the Prior Seller.
- (e) Certificate of Acceptance dated July 16, 2002, covering 66 Plate F Boxcars bearing reporting marks AOK14105-14170 inclusive, by the Lessee;

- (f) Certificate of Acceptance dated April 16, 2002, covering 11 Plate F Boxcars bearing reporting marks AOK14117, 14121, and 14160-14168 inclusive, by the Prior Seller;
- (g) Certificate of Acceptance dated April 17, 2002, covering 10 Plate F Boxcars bearing reporting marks AOK14129-14133 inclusive, 14137, 14138, 14159, 14169 and 14170, by the Prior Seller;
- (h) Certificate of Acceptance dated April 18, 2002, covering 2 Plate F Boxcars bearing reporting marks AOK14140 and 14141, by the Prior Seller;
- (i) Certificate of Acceptance dated April 19, 2002, covering 2 Plate F Boxcars bearing reporting marks AOK14143 and 14144, by the Prior Seller;
- (j) Certificate of Acceptance dated April 10, 2002, covering 4 Plate F Boxcars bearing reporting marks AOK14107, 14113, 14125 and 14128, by the Prior Seller;
- (k) Certificate of Acceptance dated April 11, 2002, covering 10 Plate F Boxcars bearing reporting marks AOK14105, 14108, 14111, 14112, 14114, 14115, 14126, 14134, 14135 and 14142, by the Prior Seller;
- (l) Certificate of Acceptance dated April 12, 2002, covering 8 Plate F Boxcars bearing reporting marks AOK14116, 14118-14120 inclusive, 14122-14124 inclusive and 14146, by the Prior Seller;
- (m) Certificate of Acceptance dated April 15, 2002, covering 19 Plate F Boxcars bearing reporting marks AOK14106, 14109, 14110, 14127, 14136, 14139, 14145, and 14147-14158 inclusive, by the Prior Seller;
- (n) Manufacturers Consent dated July 25, 2002 by Gunderson, Inc.;
- (o) Warranty Assignment [GLC] dated as of July 25, 2002 between Prior Seller, as assignor, and Seller, as assignee;
- (p) Purchase Agreement [GLC/BBRF] dated as of July 25, 2002 between Prior Seller and Seller;
- (q) Bill of Sale dated July 25, 2002 from Prior Seller;
- (r) Assignment & Assumption Agreement dated as of July 25, 2002 between Prior Seller and Seller; and
- (s) Railcar Marks Agreement (collectively, the "Assigned Operative Agreements").

Notwithstanding the foregoing, the Seller shall continue to be entitled to the benefit of any rights to indemnification for tax and other matters which arose or may arise from or be

related to any event or circumstance occurring or in existence prior to the Closing Date, as specified in the Purchase Agreement.

3. Acceptance of Assignment; Assumption of Obligations; Effect of Assignment.

The Buyer accepts the assignment contained in Section 2 hereof and, in respect of the period on and after the Closing Date, assumes all obligations of the Seller under, and agrees to be bound to the same extent as the Seller by all the terms of, the Assigned Operative Agreements. Effective on and after the Closing Date, the Buyer shall be deemed to stand in the place of the Seller for all purposes under the Assigned Operative Agreements and each reference in the Assigned Operative Agreements to the Seller shall be deemed to mean the Buyer. The Seller, in respect of the period on and after the Closing Date, is released of all obligations of the lessor under the Assigned Operative Agreements, except to the extent constituting Existing Obligations.

4. Definitions. Except as otherwise specified or as the context may otherwise require, the following terms have the respective meanings set forth below whenever used in this Agreement (terms defined in the singular to have a correlative meaning when used in the plural and vice versa).

Bill of Sale: as to any one or more items of Equipment, a bill of sale in the form of Exhibit 1 hereto.

Closing Date: as to any one or more items of Equipment and related Ownership Interest, the date of the Bill of Sale with respect thereto.

Equipment: the items of equipment listed on Exhibit A to Exhibit 1 hereto, together with each and every part, accessory, component and any equipment installed therein or attached thereto owned by the Seller (individually such railcars shall be referred to as an "item" or "items of Equipment").

Existing Obligations: any and all liabilities and obligations of Seller under the Ownership Interest, including the Assigned Operative Agreements, or otherwise relating to the Equipment in each such case, to the extent arising or occurring prior to the Closing Date (whether or not asserted or assessed), and, with respect to the obligations, to have been performed by Seller prior to the Closing Date.

Lease: Lease Agreement made as of March 1, 2002, entered into by and between Seller, as lessor and Lessee, as lessee, as amended, modified or supplemented from time to time.

Lessee: BC Rail Partnership.

Ownership Interest: the Seller's rights, title and interest in and to the Equipment and the Seller's rights and obligations under the Assigned Operative Agreements, except the Existing Obligations.

Prior Seller: Greenbrier Leasing Corporation.

Railcar Marks Agreement: the Railcar Marks Management Agreement [GLC] dated as of July 25, 2002 between the Seller and the Prior Seller, as amended, modified or supplemented from time to time.

5. Amendments. No provision of this Agreement may be amended, modified or waived except by written agreement duly executed by each of the parties hereto.

6. Notices. All notices, requests or other communications to or upon any party hereto in connection herewith shall be given in the manner prescribed by Section 9.5 of the Purchase Agreement.

7. Headings. The section headings used in this Agreement are for convenience of reference only and shall not be used or construed to define, interpret, expand or limit any provision hereof.

8. Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal substantive laws of the State of New York, without giving effect to the conflict of law rules thereof, other than Section 5-1401 of the New York General Obligations Law.

10. Recordation. The Seller and the Buyer agree to record this Agreement with the Surface Transportation Board and Registrar General of Canada to evidence the assignment by the Seller to the Buyer of the Seller's rights and obligations under the Lease, if and only if the Lease has been recorded with the Surface Transportation Board and/or Registrar General of Canada.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been duly executed by the parties hereto as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC, as  
Seller

By:   
Name: Thomas McGraw  
Title: Vice President

THE CLARKESVILLE LEASING  
PARTNERSHIP, LLP,  
as Buyer

By: Rail Wagon Leasing Limited, its General  
Partner

By:   
Name: Bruce J. Carusi  
Title: Attorney-in-fact

State of \_\_\_\_\_ )  
 )  
County of \_\_\_\_\_ )

On this, the 23rd day of September, 2002, before me, a Notary Public in and for said County and State, personally appeared Thomas McGraw, a Vice President of Babcock & Brown Rail Funding LLC, who acknowledged himself/~~herself~~ to be a duly authorized officer of Babcock & Brown Rail Funding LLC, and that, as such officer, being authorized to do so, he/~~she~~ executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Jennifer Moreno  
Notary Public  
My Commission Expires: 1/24/2006  
Residing in: \_\_\_\_\_

*Jennifer Moreno*  
*Notary Public, State of New York*  
*No. 01M01036346*  
*Qualified in Duane County*  
*Commission Expires January 24, 2006*



State of New York )  
County of Queens )

On this, the 23rd day of September, 2002, before me, a Notary Public in and for said County and State, personally appeared Bruce J. Carusi, an Attorney-in-fact of THE CLARKESVILLE LEASING PARTNERSHIP, LLP, who acknowledged himself/herself to be a duly authorized officer of Rail Wagon Leasing Limited, its General Partner, and that, as such officer, being authorized to do so, he/she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Jennifer Moreno  
Notary Public  
My Commission Expires: 1/24/2006  
Residing in: Queens

*Jennifer Moreno*  
*Notary Public, State of New York*  
*No. 02M06096546*  
*Qualified in Queens County*  
*Commission Expires January 24, 2006*

**BILL OF SALE**

On this \_\_\_\_th day of September, 2002, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Babcock & Brown Rail Funding LLC ("Seller"), does hereby sell, transfer and assign to The Clarkesville Leasing Partnership, LLP ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Exhibit A hereto (the "Equipment"), subject to the terms and conditions of the Purchase Agreement dated as of the date hereof, (the "Purchase Agreement") and the Assignment and Assumption Agreement dated as of the date hereof, each between Seller and Buyer.

Seller represents and warrants to Buyer and its successors and assigns that at the time of delivery of the Equipment, Seller had legal title thereto and good and lawful right to sell the Equipment, and the Equipment was free and clear of all Liens (as defined in the Purchase Agreement), other than as described in Section 3.3 of the Purchase Agreement.

BABCOCK & BROWN RAIL FUNDING LLC

By: \_\_\_\_\_  
Name:  
Title:

Exhibit A  
(to Bill of Sale)

### **EQUIPMENT**

66 A406 – 50 foot, 100-ton Plate F. boxcars with single 12' plug doors, 15" EOCC, 60K nailable steel floors and smooth interiors, manufactured by Gunderson in 2002, bearing the reporting marks as follows:

AOK 14105-14170, inclusive.

**CERTIFICATION**

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy of an Assignment and Assumption Agreement with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: September 30, 2002

Edward M. Luria  
Edward M. Luria